



January 22, 2016

## SENATE BILL No. 321

DIGEST OF SB 321 (Updated January 19, 2016 1:24 pm - DI 73)

**Citations Affected:** IC 6-1.1; IC 6-3.6; IC 12-29; IC 36-1.5.

**Synopsis:** Local government budgeting. Provides that for each budget year after 2018, the department of local government finance (DLGF) shall certify a political subdivision's budget, tax rate, and tax levy not later than: (1) December 31 of the year preceding the budget year, unless a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal; or (2) January 15 of the budget year, if a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal. (Under current law, these certifications must be completed not later than February 15 of the budget year.) Retains the November 1 deadline for a political subdivision to adopt a budget for the following year. Specifies that after 2017, the county auditor shall provide before June 1 an initial estimate of assessed valuations to political subdivisions within the county. For calendar years after 2017, changes: (1) the date by which a county assessor must provide the county auditor with assessed values; (2) the date by which a county must submit the coefficient of dispersion study and property sales assessment ratio study to the DLGF; (3) the date by which a political subdivision must submit a proposal to establish a cumulative fund to the DLGF; (4) the date by which the budget agency must provide to the DLGF and county auditors an estimate of each county's local income tax distributions for the following year; and (5) the date by which the DLGF must estimate each taxing unit's distribution of local income tax for the following year. Changes other deadlines in the local budgeting (Continued next page)

**Effective:** July 1, 2016.

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**Miller Pete, Grooms, Buck**

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January 7, 2016, read first time and referred to Committee on Tax & Fiscal Policy.  
January 21, 2016, amended, reported favorably — Do Pass.

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process in order to conform to the December 15 deadline for DLGF certification of budgets, tax rates, and tax levies. Provides that the DLGF shall before July 15 of each year provide taxing units with an estimate of the maximum property tax levies that will apply for the ensuing calendar year. Provides that the DLGF must before August 1 of each year provide to each taxing unit an estimate of the amount by which the taxing unit's distribution of property taxes may be reduced by circuit breaker credits in the ensuing year. Provides that for a fund of a political subdivision subject to the levy limits, the DLGF shall calculate and certify the allowable budget of the fund if the political subdivision adopts a tax levy that exceeds the estimated maximum levy limits as provided by the DLGF. Specifies that for a fund subject to levy limits and for which the political subdivision adopts a tax levy that is not more than the levy limits, the DLGF shall review the fund to ensure the adopted budget is fundable based on the unit's adopted tax levy and estimates of available revenues. Requires the budget agency to provide the assessed value growth quotient for the ensuing year to civil taxing units, school corporations, and the DLGF before July 1 of each year. Requires the DLGF to provide to political subdivisions: (1) the maximum property tax rate that may be imposed by the political subdivision for each cumulative fund or other fund for which a maximum rate is established; and (2) the property tax rates that must be imposed by the political subdivision in the following year for debt service. Requires the DLGF to update the estimate before August 1. Provides that in formulating a political subdivision's estimated budget, the proper officers of the political subdivision must consider the net property tax revenue that will be collected by the political subdivision during the ensuing year, after taking into account the estimates by the department of local government finance of: (1) the amount by which the political subdivision's distribution of property taxes will be reduced by circuit breaker credits; and (2) the maximum amount of net property tax revenue and miscellaneous revenue that the political subdivision will receive in the ensuing year. Repeals the statutes concerning county fiscal body nonbinding review of local budgets, tax levies, and tax rates and the nonbinding review pilot project. Requires the county fiscal body to review the following at a public meeting: (1) The estimated levy limits provided by the DLGF. (2) The estimated circuit breaker credit impact on taxing units. Provides that after this meeting is held, the county fiscal body may prepare and distribute a written recommendation for taxing units in the county. For property taxes first due and payable after December 31, 2016, provides that the maximum appropriations for a community intellectual disability and other developmental disabilities center may not increase annually by a percentage greater than the assessed value growth quotient percentage. Requires the DLGF to provide to counties before July 15 of each year an estimate of the maximum appropriation amount for the ensuing year. Provides that for purposes of determining the property tax levy limits, a county's or municipality tax levy excludes all the taxes imposed for a county or municipal cumulative capital development fund. Requires the DLGF to provide annually to each county and municipality an estimate of: (1) the maximum tax rate that the county, city, or town may impose for a cumulative capital development fund; and (2) the maximum amount of property taxes imposed for community mental health centers or community intellectual disability and other developmental disabilities centers that are exempt from the levy limits for the ensuing year. Requires the DLGF to make a one time permanent adjustment to the levy limits equal to the amount of property taxes imposed on personal property of banks that became subject to assessment in 1989 (this amount is currently excluded under a separate statute). Repeals the statute providing that property taxes imposed by a county or municipality to pay supplemental juror fees (above the required amount) are exempt from the levy limits.



January 22, 2016

Second Regular Session 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

## SENATE BILL No. 321

A BILL FOR AN ACT to amend the Indiana Code concerning  
taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1       SECTION 1. IC 6-1.1-2-10, AS ADDED BY P.L.220-2011,  
2       SECTION 118, IS AMENDED TO READ AS FOLLOWS  
3       [EFFECTIVE JULY 1, 2016]: Sec. 10. (a) Any action taken by the  
4       department of local government finance before November 21, 2007, to  
5       do any of the following with respect to property taxes first due and  
6       payable in 2007 in any county is legalized and validated:  
7             (1) Halt billing and collection.  
8             (2) Invalidate the certification under ~~IC 6-1.1-17-16(f)~~  
9             **IC 6-1.1-17-16(i)** of the department's actions concerning budgets,  
10            rates, and levies.  
11            (3) Revise and reissue certifications referred to in subdivision (2).  
12            (4) Require the preparation and delivery under IC 6-1.1-22-5 of  
13            an abstract that is based on the assessed values determined in a  
14            reassessment:  
15               (A) performed by; or

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1 (B) ordered by;  
 2 the department of local government finance under IC 6-1.1-4 or  
 3 IC 6-1.1-14.  
 4 (5) Allow payments of installments on dates and in amounts  
 5 different from the dates and amounts that applied in an earlier  
 6 issuance of tax statements by the county.  
 7 (6) Allow the issuance of reconciling property tax statements to  
 8 reconcile the payment of different amounts referred to in  
 9 subdivision (5) as compared to the amounts finally determined to  
 10 be due and payable.  
 11 (7) Waive all or part of a penalty under IC 6-1.1-37-10.  
 12 (b) The department of local government finance may take any action  
 13 listed in subsection (a) on or after November 21, 2007, with respect to  
 14 property taxes first due and payable in 2007 in any county.  
 15 (c) Any action taken before November 21, 2007, by a unit of local  
 16 government or a public official on behalf of a unit of local government  
 17 that:  
 18 (1) is in response to; and  
 19 (2) is consistent with;  
 20 an action of the department of local government finance referred to in  
 21 subsection (a) is legalized and validated.  
 22 (d) A unit of local government or a public official on behalf of a unit  
 23 of local government may take any action on or after November 21,  
 24 2007, that:  
 25 (1) is in response to; and  
 26 (2) is consistent with;  
 27 an action of the department of local government finance referred to in  
 28 subsection (a) or (b).  
 29 SECTION 2. IC 6-1.1-4-4.6, AS AMENDED BY P.L.111-2014,  
 30 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 31 JULY 1, 2016]: Sec. 4.6. (a) If a county assessor fails ~~before July 2 of~~  
 32 ~~a particular year that ends before January 1, 2016, and before June 2~~  
 33 **(for 2016 and 2017) or May 2 (for 2018 and thereafter)** of a  
 34 particular year ~~that begins after December 31, 2015,~~ for which an  
 35 adjustment to the assessed value of real property applies under section  
 36 4.5 of this chapter to prepare and deliver to the county auditor a  
 37 complete detailed list of all of the real property listed for taxation in the  
 38 county as required by IC 6-1.1-5-14 and at least one hundred eighty  
 39 (180) days have elapsed after the deadline specified in IC 6-1.1-5-14  
 40 for the county assessor to deliver the list, the department of local  
 41 government finance may develop annual adjustment factors under this  
 42 section for that year. In developing annual adjustment factors under this



section, the department of local government finance shall use data in its possession that is obtained from:

- (1) the county assessor; or
- (2) any of the sources listed in the rule, including county or state sales data, government studies, ratio studies, cost and depreciation tables, and other market analyses.

(b) Using the data described in subsection (a), the department of local government finance shall propose to establish annual adjustment factors for the affected tax districts for one (1) or more of the classes of real property. The proposal may provide for the equalization of annual adjustment factors in the affected township or county and in adjacent areas. The department of local government finance shall issue notice and provide opportunity for hearing in accordance with IC 6-1.1-14-4 and IC 6-1.1-14-9, as applicable, before issuing final annual adjustment factors.

(c) The annual adjustment factors finally determined by the department of local government finance after the hearing required under subsection (b) apply to the annual adjustment of real property under section 4.5 of this chapter for:

- (1) the assessment date; and
- (2) the real property;

specified in the final determination of the department of local government finance.

SECTION 3. IC 6-1.1-5-14, AS AMENDED BY P.L.111-2014, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 14. (a) Not later than:

- (1) May 15 in each calendar year ending before January 1, 2017;  
~~and~~
- (2) May 1 in each calendar year ending after December 31, 2016,  
**and before January 1, 2018; and**
- (3) April 1 in each calendar year ending after December 31, 2017;**

each township assessor in the county (if any) shall prepare and deliver to the county assessor a detailed list of the real property listed for taxation in the township.

(b) On or before:

- (1) July 1 of each calendar year ending before January 1, 2017;  
~~and~~
- (2) June 1 in each calendar year ending after December 31, 2016,  
**and before January 1, 2018; and**
- (3) May 1 in each calendar year ending after December 31, 2017;**



each county assessor shall, under oath, prepare and deliver to the county auditor a detailed list of the real property listed for taxation in the county. The county assessor shall prepare the list in the form prescribed by the department of local government finance.

SECTION 4. IC 6-1.1-14-12, AS ADDED BY P.L.257-2013, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 12. (a) As part of the review under IC 6-1.1-33.5-3(4) and IC 6-1.1-33.5-3(5) of the coefficient of dispersion study and property sales assessment ratio study submitted by a county under 50 IAC 27-4-4, the department of local government finance shall conduct the review and analysis described in this section. **In 2017 and in each year thereafter, a county shall submit the coefficient of dispersion study and property sales assessment ratio study to the department not later than March 1 of the year.**

(b) The department shall:

(1) conduct its review and analysis for studies submitted in 2013 through 2017; and

(2) review and analyze only data and studies for property that is classified as improved residential property in townships having a population of more than one hundred thirty thousand (130,000).

(c) The department shall separate each township described in subsection (b) into four (4) comparable groups of parcels as determined by the department. The department shall:

(1) separately review and analyze for each group of parcels data used for the coefficient of dispersion study and the property sales assessment ratio study submitted by the county; and

(2) prepare a coefficient of dispersion study and a property sales assessment ratio study for each group of parcels.

SECTION 5. IC 6-1.1-17-0.5, AS AMENDED BY P.L.137-2012, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 0.5. (a) For purposes of this section, "net assessed value" means assessed value after the application of deductions, exemptions, and abatements.

(b) The county auditor may exclude and keep separate on the tax duplicate for taxes payable in a calendar year the net assessed value of tangible property that meets the following conditions:

(1) The net assessed value of the property is at least nine percent (9%) of the net assessed value of all tangible property subject to taxation by a taxing district.

(2) The property is or has been part of a bankruptcy estate that is subject to protection under the federal bankruptcy code.

(3) The owner of the property has discontinued all business



operations on the property.

(4) There is a high probability that the taxpayer will not pay property taxes due on the property in the following year.

(c) This section does not limit, restrict, or reduce in any way the property tax liability on the property.

(d) For each taxing district located in the county, the county auditor may reduce for a calendar year the taxing district's net assessed value that is certified to the department of local government finance under section 1 of this chapter and used to set tax rates for the taxing district for taxes first due and payable in the immediately succeeding calendar year. The county auditor may reduce a taxing district's net assessed value under this subsection only to enable the taxing district to absorb the effects of reduced property tax collections in the immediately succeeding calendar year that are expected to result from any or a combination of the following:

(1) Successful appeals of the assessed value of property located in the taxing district.

(2) Deductions under IC 6-1.1-12-37 and IC 6-1.1-12-37.5 that result from the granting of applications for the standard deduction for the calendar year under IC 6-1.1-12-37 or IC 6-1.1-12-44 after the county auditor certifies net assessed value as described in this section.

(3) Deductions that result from the granting of applications for deductions for the calendar year under IC 6-1.1-12-44 after the county auditor certifies net assessed value as described in this section.

(4) Reassessments of real property under IC 6-1.1-4-11.5.

Not later than ~~December~~ **July** 31 of each year, the county auditor shall send a certified statement, under the seal of the board of county commissioners, to the fiscal officer of each political subdivision of the county and to the department of local government finance. The certified statement must list any adjustments to the amount of the reduction under this subsection and the information submitted under section 1 of this chapter that are necessary. The county auditor shall keep separately on the tax duplicate the amount of any reductions made under this subsection. The maximum amount of the reduction authorized under this subsection is determined under subsection (e).

(e) The amount of the reduction in a taxing district's net assessed value for a calendar year under subsection (d) may not exceed two percent (2%) of the net assessed value of tangible property subject to assessment in the taxing district in that calendar year.

(f) The amount of a reduction under subsection (d) may not be



1 offered in a proceeding before the:

- 2 (1) county property tax assessment board of appeals;  
3 (2) Indiana board; or  
4 (3) Indiana tax court;

5 as evidence that a particular parcel has been improperly assessed.

6 SECTION 6. IC 6-1.1-17-0.7 IS ADDED TO THE INDIANA  
7 CODE AS A NEW SECTION TO READ AS FOLLOWS  
8 [EFFECTIVE JULY 1, 2016]: **Sec. 0.7. (a) Before May 1 of each year**  
9 **after 2017, the fiscal officer of each political subdivision shall**  
10 **provide the department of local government finance with an**  
11 **estimate of the total amount of the political subdivision's debt**  
12 **service obligations (as defined in IC 6-1.1-20.6-9.8) that will be due**  
13 **in the last six (6) months of the current year and in the ensuing**  
14 **year.**

15 **(b) Before July 15 of each year after 2017, the department of**  
16 **local government finance shall provide the following to each**  
17 **political subdivision:**

18 **(1) An estimate of the maximum property tax rate that may**  
19 **be imposed by the political subdivision for property taxes**  
20 **payable in the ensuing year for each cumulative fund or other**  
21 **fund for which a maximum property tax rate is established by**  
22 **law.**

23 **(2) An estimate of the property tax rates that would be**  
24 **imposed by the political subdivision for property taxes**  
25 **payable in the ensuing year for debt service.**

26 **(c) The department of local government finance shall before**  
27 **August 1 of each year after 2017 provide to each political**  
28 **subdivision an estimate of the maximum amount of net property**  
29 **tax revenue and miscellaneous revenue that the political**  
30 **subdivision will receive in the ensuing year if the political**  
31 **subdivision's property tax rates are imposed at the maximum**  
32 **allowed under law and if the political subdivision imposes the**  
33 **maximum permissible ad valorem property tax levy allowed under**  
34 **law for the political subdivision. In making each of the estimates**  
35 **under this subsection, the department of local government finance**  
36 **shall consider the estimated amount of any credits that will be**  
37 **granted under IC 6-1.1-20.6 against property taxes imposed by the**  
38 **political subdivision.**

39 SECTION 7. IC 6-1.1-17-1, AS AMENDED BY P.L.137-2012,  
40 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
41 JULY 1, 2016]: **Sec. 1. (a) On or before August 1 of each year, the**  
42 **county auditor shall send a certified statement, under the seal of the**





board of county commissioners, to the fiscal officer of each political subdivision of the county and the department of local government finance. The statement must contain:

- (1) information concerning the assessed valuation in the political subdivision for the next calendar year;
- (2) an estimate of the taxes to be distributed to the political subdivision during the last six (6) months of the current calendar year;
- (3) the current assessed valuation as shown on the abstract of charges;
- (4) the average growth in assessed valuation in the political subdivision over the preceding three (3) budget years, adjusted according to procedures established by the department of local government finance to account for reassessment under IC 6-1.1-4-4 or IC 6-1.1-4-4.2;
- (5) the amount of the political subdivision's net assessed valuation reduction determined under section 0.5(d) of this chapter;
- (6) for counties with taxing units that cross into or intersect with other counties, the assessed valuation as shown on the most current abstract of property; and
- (7) any other information at the disposal of the county auditor that might affect the assessed value used in the budget adoption process.

(b) The estimate of taxes to be distributed shall be based on:

- (1) the abstract of taxes levied and collectible for the current calendar year, less any taxes previously distributed for the calendar year; and
- (2) any other information at the disposal of the county auditor which might affect the estimate.

(c) The fiscal officer of each political subdivision shall present the county auditor's statement to the proper officers of the political subdivision.

(d) Subject to subsection (e), after the county auditor sends a certified statement under subsection (a) or an amended certified statement under this subsection with respect to a political subdivision and before the department of local government finance certifies its action with respect to the political subdivision under section ~~16(f)~~ **16(i)** of this chapter, the county auditor may amend the information concerning assessed valuation included in the earlier certified statement. The county auditor shall send a certified statement amended under this subsection, under the seal of the board of county commissioners, to:



(1) the fiscal officer of each political subdivision affected by the amendment; and

(2) the department of local government finance.

(e) Except as provided in subsection (f), before the county auditor makes an amendment under subsection (d), the county auditor must provide an opportunity for public comment on the proposed amendment at a public hearing. The county auditor must give notice of the hearing under IC 5-3-1. If the county auditor makes the amendment as a result of information provided to the county auditor by an assessor, the county auditor shall give notice of the public hearing to the assessor.

(f) The county auditor is not required to hold a public hearing under subsection (e) if:

(1) the amendment under subsection (d) is proposed to correct a mathematical error made in the determination of the amount of assessed valuation included in the earlier certified statement;

(2) the amendment under subsection (d) is proposed to add to the amount of assessed valuation included in the earlier certified statement assessed valuation of omitted property discovered after the county auditor sent the earlier certified statement; or

(3) the county auditor determines that the amendment under subsection (d) will not result in an increase in the tax rate or tax rates of the political subdivision.

**(g) Beginning in 2018, each county auditor shall submit to the department of local government finance parcel level data of certified net assessed values as required by the department. A county auditor shall submit the parcel level data in the manner and format required by the department and according to a schedule determined by the department.**

SECTION 8. IC 6-1.1-17-3, AS AMENDED BY P.L.183-2014, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) The proper officers of a political subdivision shall formulate its estimated budget and its proposed tax rate and tax levy on the form prescribed by the department of local government finance and approved by the state board of accounts. **In formulating a political subdivision's estimated budget under this section, the proper officers of the political subdivision must consider the net property tax revenue that will be collected by the political subdivision during the ensuing year, after taking into account the estimate by the department of local government finance under IC 6-1.1-20.6-11.1 of the amount by which the political subdivision's distribution of property taxes will be reduced by**



credits under IC 6-1.1-20.6-9.5 in the ensuing year, and after taking into account the estimate by the department of local government finance under section 0.7 of this chapter of the maximum amount of net property tax revenue and miscellaneous revenue that the political subdivision will receive in the ensuing year. The political subdivision or appropriate fiscal body, if the political subdivision is subject to section 20 of this chapter, shall ~~(before January 1, 2015)~~ at least ten ~~(10)~~ days before the public hearing, give notice to taxpayers ~~of submit the following information to the department's computer gateway:~~

(1) The estimated budget.

(2) The estimated maximum permissible levy, **as provided by the department under IC 6-1.1-18.5-24.**

(3) The current and proposed tax levies of each fund.

**(4) The amount by which the political subdivision's distribution of property taxes may be reduced by credits granted under IC 6-1.1-20.6, as estimated by the department of local government finance under IC 6-1.1-20.6-11. and**

~~(4)~~ (5) The amounts of excessive levy appeals to be requested.

~~(6) The political subdivision or appropriate fiscal body shall also state the time and place at which the political subdivision or appropriate fiscal body will hold a public hearing on these the items described in subdivisions (1) through (5).~~

The political subdivision or appropriate fiscal body shall ~~(before January 1, 2015)~~ publish the notice twice in accordance with IC 5-3-1 with the first publication at least ten ~~(10)~~ days before the date fixed for the public hearing. The first publication must be before September 14, and the second publication must be before September 21 of the year. The political subdivision shall pay for the publishing of the notice. The political subdivision **or appropriate fiscal body** shall submit this information to the department's computer gateway ~~before September 14 of each year and~~ at least ten ~~(10)~~ days before the public hearing required by this subsection in the manner prescribed by the department. The department shall make this information available to taxpayers, at least ten ~~(10)~~ days before the public hearing, through its computer gateway and provide a telephone number through which taxpayers may request mailed copies of a political subdivision's information under this subsection. The department's computer gateway must allow a taxpayer to search for the information under this subsection by the taxpayer's address. The department shall review only the submission to the department's computer gateway for compliance with this section.

~~(b) For taxes due and payable in 2015 and 2016, each county shall~~



publish a notice in accordance with IC 5-3-1 in two (2) newspapers published in the county stating the Internet address at which the information under subsection (a) is available and the telephone number through which taxpayers may request copies of a political subdivision's information under subsection (a). If only one (1) newspaper is published in the county, publication in that newspaper is sufficient. The department of local government finance shall prescribe the notice. Notice under this subsection shall be published before September 14. Counties may seek reimbursement from the political subdivisions within their legal boundaries for the cost of the notice required under this subsection. The actions under this subsection shall be completed in the manner prescribed by the department.

(c) (b) The board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5-2 (before its repeal) may conduct the public hearing required under subsection (a):

- (1) in any county of the solid waste management district; and
- (2) in accordance with the annual notice of meetings published under IC 13-21-5-2.

(d) (c) The trustee of each township in the county shall estimate the amount necessary to meet the cost of township assistance in the township for the ensuing calendar year. The township board shall adopt with the township budget a tax rate sufficient to meet the estimated cost of township assistance. The taxes collected as a result of the tax rate adopted under this subsection are credited to the township assistance fund.

(e) (d) A political subdivision for which any of the information under subsection (a) is not (before January 1, 2015) published and is not submitted to the department's computer gateway in the manner prescribed by the department shall have its most recent annual appropriations and annual tax levy continued for the ensuing budget year.

(f) (e) If a political subdivision or appropriate fiscal body timely publishes (before January 1, 2015) and timely submits the information under subsection (a) but subsequently discovers the information contains a typographical an error, the political subdivision or appropriate fiscal body may request permission from the department to submit amended information to the department's computer gateway. and (before January 1, 2015) to publish the amended information. However, such a request submission of amended information must occur not later than seven (7) at least ten (10) days before the public hearing held under subsection (a). Acknowledgment of the correction of an error shall be posted on the department's computer gateway and



communicated by the political subdivision or appropriate fiscal body to the fiscal body of the county in which the political subdivision and appropriate fiscal body are located:

SECTION 9. IC 6-1.1-17-3.5 IS REPEALED [EFFECTIVE JULY 1, 2016]. Sec. 3-5: (a) This section does not apply to taxing units located in a county in which a county board of tax adjustment reviews budgets, tax rates, and tax levies. This section does not apply to a taxing unit that has its proposed budget and proposed property tax levy approved under section 20 or 20.3 of this chapter or IC 36-3-6-9.

(b) This section applies to a taxing unit other than a county. Except as provided in section 3-7 of this chapter, if a taxing unit will impose property taxes due and payable in the ensuing calendar year, the taxing unit shall file the following information in the manner prescribed by the department of local government finance with the fiscal body of the county in which the taxing unit is located:

(1) A statement of the proposed or estimated tax rate and tax levy for the taxing unit for the ensuing budget year.

(2) In the case of a taxing unit other than a school corporation, a copy of the taxing unit's proposed budget for the ensuing budget year.

(c) In the case of a taxing unit located in more than one (1) county, the taxing unit shall file the information under subsection (b) with the fiscal body of the county in which the greatest part of the taxing unit's net assessed valuation is located.

(d) A taxing unit must file the information under subsection (b) before September 2 of a year.

(e) A county fiscal body shall complete the following in a manner prescribed by the department of local government finance before October 2 of a year:

(1) Review any proposed or estimated tax rate or tax levy filed by a taxing unit with the county fiscal body under this section.

(2) In the case of a taxing unit other than a school corporation, review any proposed or estimated budget filed by a taxing unit with the county fiscal body under this section.

(3) In the case of a taxing unit other than a school corporation, issue a nonbinding recommendation to a taxing unit regarding the taxing unit's proposed or estimated tax rate or tax levy or proposed budget.

(f) The recommendation under subsection (e) must include a comparison of any increase in the taxing unit's budget or tax levy to:

(1) the average increase in Indiana nonfarm personal income for the preceding six (6) calendar years and the average increase in



1 nonfarm personal income for the county for the preceding six (6)  
2 calendar years; and

3 (2) increases in the budgets and tax levies of other taxing units in  
4 the county;

5 (g) The department of local government finance must provide each  
6 county fiscal body with the most recent available information  
7 concerning increases in Indiana nonfarm personal income and  
8 increases in county nonfarm personal income;

9 (h) If a taxing unit fails to file the information required by  
10 subsection (b) with the fiscal body of the county in which the taxing  
11 unit is located by the time prescribed in subsection (d), the most recent  
12 annual appropriations and annual tax levy of that taxing unit are  
13 continued for the ensuing budget year;

14 (i) If a county fiscal body fails to complete the requirements of  
15 subsection (e) before the deadline in subsection (e) for any taxing unit  
16 subject to this section, the most recent annual appropriations and  
17 annual tax levy of the county are continued for the ensuing budget year;

18 SECTION 10. IC 6-1.1-17-3.6 IS ADDED TO THE INDIANA  
19 CODE AS A NEW SECTION TO READ AS FOLLOWS  
20 [EFFECTIVE JULY 1, 2016]: Sec. 3.6. (a) At the first meeting of the  
21 county fiscal body in August, the county fiscal body shall review  
22 the following:

23 (1) The estimated levy limits provided by the department of  
24 local government finance under IC 6-1.1-18.5-24.

25 (2) The estimate provided by the department of local  
26 government finance under IC 6-1.1-20.6-11.1 of how each  
27 taxing unit's distribution of property taxes will be reduced by  
28 credits under IC 6-1.1-20.6.

29 (b) The county fiscal body may request that representatives  
30 from the taxing units located within the county attend the meeting  
31 described in subsection (a).

32 (c) The county fiscal body must allow a representative of a  
33 taxing unit that attends the meeting described in subsection (a) to  
34 comment on the taxing unit's proposed budgets, tax levies, and tax  
35 rates for the ensuing calendar year.

36 (d) After the county fiscal body has held the meeting required  
37 by this section, the county fiscal body may prepare and distribute  
38 a written recommendation for taxing units in the county. If the  
39 county fiscal body does not prepare a written recommendation, the  
40 minutes of the meeting held under this section shall be distributed  
41 by the county auditor to all taxing units in the county after the  
42 minutes have been approved by the county fiscal body.



SECTION 11. IC 6-1.1-17-3.7 IS REPEALED [EFFECTIVE JULY 1, 2016]. Sec. 3-7: (a) This section authorizes a three (3) year pilot program to allow county fiscal bodies of designated counties to carry out a more thorough nonbinding review of the proposed budgets, property tax rates, and property tax levies of all taxing units in those counties. The general assembly finds that, because of the enactment of property tax credits under IC 6-1.1-20.6, there is an even greater need for taxing units to cooperate in the adoption of their budgets, property tax rates, and property tax levies.

(b) The department of local government finance may establish a pilot program concerning nonbinding review of budgets, property tax rates, and property tax levies as provided in this section. The role of the department of local government finance in the pilot program is to develop the framework for the continuation of a more thorough nonbinding review in all counties without the direct involvement of the department of local government finance.

(c) For a county to be eligible for designation as a pilot county participating in the pilot program:

(1) the county fiscal body must adopt a resolution approving the submission of an application to be designated as a pilot county; and

(2) the county fiscal body must submit to the department of local government finance before the date specified by the department:

(A) an application in the form and containing the information prescribed by the department; and

(B) a copy of the resolution adopted under subdivision (1).

(d) After reviewing applications submitted under subsection (c), the department of local government finance may designate not more than three (3) counties that submit an application under subsection (c) as pilot counties under this section. In determining which counties are designated as pilot counties, the department of local government finance shall attempt to achieve diversity among designated counties based on:

(1) the geographical location of the counties;

(2) the population of the counties; and

(3) whether the counties are primarily rural or urban.

(e) The department of local government finance shall notify each taxing unit in a pilot county of:

(1) the designation of the county as a pilot county; and

(2) the duties of the taxing unit under this section.

(f) The following apply in 2014 and thereafter:

(1) Each taxing unit in a pilot county shall, before September 2 of



each year, file with the department of local government finance and with the county fiscal body:

(A) the taxing unit's proposed budgets, property tax rates, and property tax levies for the following calendar year;

(B) a statement of whether:

(i) a petition and remonstrance process has been initiated under IC 6-1.1-20 concerning a controlled project of the taxing unit;

(ii) a public question under IC 6-1.1-20 concerning a controlled project of the taxing unit has been certified and will be on the election ballot;

(iii) a referendum tax levy question under IC 20-46-1 has been certified and will be on the election ballot; or

(iv) the taxing unit anticipates that it will during the following eighteen (18) months either adopt a resolution or ordinance under IC 6-1.1-20 making a preliminary determination to issue bonds or enter into a lease concerning a controlled project of the taxing unit, or adopt a resolution under IC 20-46-1 to place a referendum tax levy question on the election ballot; and

(C) any additional information required by the department to prepare the analysis required under subdivision (4):

A school corporation providing information to the department of local government finance shall provide the information through the department's interactive and searchable Internet web site containing local government information (the Indiana gateway for governmental units). When formulating the taxing unit's estimated budget, property tax rate, and property tax levy under section 3 of this chapter, the proper officers of the taxing unit shall consider the estimated consequences of the property tax credits under IC 6-1.1-20.6 on the property taxes that will be collected by the taxing unit and the calculation of fund balances:

(2) A taxing unit in a pilot county that would otherwise be required to submit its proposed budgets, property tax rates, and property tax levies for nonbinding review under section 3.5 of this chapter is not required to do so, but the taxing unit must instead submit the information required by subdivision (1) to the department of local government finance.

(3) A taxing unit that is located in a pilot county and that is subject to binding review and approval of the taxing unit's budgets, property tax rates, and property tax levies under section 20 of this chapter or IC 36-3-6-9:





- 1 (A) remains subject to binding review and approval under  
 2 those statutes and must submit the information required under  
 3 those statutes to the appropriate fiscal body; and  
 4 (B) must also submit the information required by subdivision  
 5 (1) to the department of local government finance.  
 6 (4) The department shall prepare an analysis of the proposed  
 7 budgets, property tax rates, and property tax levies submitted by  
 8 taxing units in each pilot county. The department of local  
 9 government finance may establish appropriate procedures and  
 10 conduct the appropriate analysis that meets the department's  
 11 requirements for the review of a unit's budget under this chapter.  
 12 The analysis prepared by the department must include at least the  
 13 following:  
 14 (A) The estimated total property tax rate for each taxing  
 15 district in the pilot county;  
 16 (B) The estimated total amount of property taxes to be levied  
 17 in the pilot county;  
 18 (C) The estimated consequences of the property tax credits  
 19 under IC 6-1.1-20.6 on:  
 20 (i) the property tax rates of each taxing unit and taxing  
 21 district in the pilot county;  
 22 (ii) the expected total tax rate of each taxing district in the  
 23 county; and  
 24 (iii) the property taxes that will be collected by each taxing  
 25 unit in the pilot county.  
 26 (5) The department of local government finance shall, before  
 27 October 2 of each year, provide the analysis prepared under  
 28 subdivision (4) for a pilot county to the county fiscal body of the  
 29 pilot county and to the fiscal body of each taxing unit in the pilot  
 30 county. Upon request by the county fiscal body, representatives  
 31 of the department of local government finance shall appear before  
 32 the county fiscal body to review the analysis.  
 33 (6) The county fiscal body of a pilot county shall, on or before  
 34 October 15 of each year:  
 35 (A) review the proposed budgets, property tax rates, and  
 36 property tax levies of each taxing unit in the pilot county;  
 37 (B) review the expected total tax rate of each taxing district in  
 38 the county; and  
 39 (C) issue a nonbinding recommendation to each taxing unit in  
 40 the pilot county regarding the taxing unit's proposed budgets,  
 41 property tax rates, and property tax levies.  
 42 The review and recommendation required to be carried out under



1 this subdivision may be carried out by the full county fiscal body  
 2 or by a committee appointed by the county fiscal body for that  
 3 purpose:

4 (7) A recommendation by a county fiscal body must include a  
 5 comparison of any increase in a taxing unit's budgets; property tax  
 6 rates; and property tax levies to:

7 (A) the average increase in Indiana nonfarm personal income  
 8 for the preceding six (6) calendar years and the average  
 9 increase in nonfarm personal income for the county for the  
 10 preceding six (6) calendar years; and

11 (B) increases in the budgets; property tax rates; and property  
 12 tax levies of other taxing units in the county.

13 (8) After review under this section; a taxing unit must adopt its  
 14 budget; property tax rates; and property tax levies by the date  
 15 required under section 5 of this chapter:

16 (g) The county fiscal body of a pilot county may, before July 1 of a  
 17 year, adopt a resolution discontinuing the county's participation in the  
 18 pilot program. If a county fiscal body adopts such a resolution:

19 (1) the county fiscal body shall certify a copy of the resolution to  
 20 the department of local government finance;

21 (2) the county's participation in the pilot program is terminated;  
 22 and

23 (3) the department of local government finance shall attempt to  
 24 replace the pilot county with another county that has applied to be  
 25 designated as a pilot county:

26 (h) The department of local government finance shall, before  
 27 November 1, 2014, and each year thereafter, report to the interim study  
 28 committee on fiscal policy established by IC 2-5-1.3-4 in an electronic  
 29 format under IC 5-14-6 concerning the pilot program and whether the  
 30 nonbinding review under the pilot program is fostering cooperation  
 31 among taxing units in the adoption of their budgets; property tax rates;  
 32 and property tax levies:

33 (i) This section expires January 1, 2017.

34 SECTION 12. IC 6-1.1-17-5.6, AS AMENDED BY P.L.233-2015,  
 35 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 36 JULY 1, 2016]: Sec. 5.6. (a) Each school corporation may elect to  
 37 adopt a budget under this section that applies from July 1 of the year  
 38 through June 30 of the following year. In the initial budget adopted by  
 39 a school corporation under this section, the first six (6) months of that  
 40 initial budget must be consistent with the last six (6) months of the  
 41 budget adopted by the school corporation for the calendar year in  
 42 which the school corporation elects by resolution to begin adopting



1 budgets that correspond to the state fiscal year. A corporation shall  
 2 submit a copy of the resolution to the department of local government  
 3 finance and the department of education not more than thirty (30) days  
 4 after the date the governing body adopts the resolution.

5 (b) Before April 1 of each year, the officers of the school  
 6 corporation shall meet to fix the budget for the school corporation for  
 7 the ensuing budget year, with notice given by the same officers.  
 8 However, if a resolution adopted under subsection (d) is in effect, the  
 9 officers shall meet to fix the budget for the ensuing budget year before  
 10 November 1.

11 (c) Each year, at least two (2) days before the first meeting of the  
 12 county board of tax adjustment held under IC 6-1.1-29-4, the school  
 13 corporation shall file with the county auditor:

14 (1) a statement of the tax rate and tax levy fixed by the school  
 15 corporation for the ensuing budget year;

16 (2) two (2) copies of the budget adopted by the school corporation  
 17 for the ensuing budget year; and

18 (3) any written notification from the department of local  
 19 government finance under section ~~16(i)~~ **16(l)** of this chapter that  
 20 specifies a proposed revision, reduction, or increase in the budget  
 21 adopted by the school corporation for the ensuing budget year.

22 Each year the county auditor shall present these items to the county  
 23 board of tax adjustment at the board's first meeting under  
 24 IC 6-1.1-29-4.

25 (d) The governing body of the school corporation may adopt a  
 26 resolution to cease using a school year budget year and return to using  
 27 a calendar year budget year. A resolution adopted under this subsection  
 28 must be adopted after January 1 and before July 1. The school  
 29 corporation's initial calendar year budget year following the adoption  
 30 of a resolution under this subsection begins on January 1 of the year  
 31 following the year the resolution is adopted. The first six (6) months of  
 32 the initial calendar year budget for the school corporation must be  
 33 consistent with the last six (6) months of the final school year budget  
 34 fixed by the department of local government finance before the  
 35 adoption of a resolution under this subsection.

36 (e) A resolution adopted under subsection (d) may be rescinded by  
 37 a subsequent resolution adopted by the governing body. If the  
 38 governing body of the school corporation rescinds a resolution adopted  
 39 under subsection (d) and returns to a school year budget year, the  
 40 school corporation's initial school year budget year begins on July 1  
 41 following the adoption of the rescinding resolution and ends on June  
 42 30 of the following year. The first six (6) months of the initial school



1 year budget for the school corporation must be consistent with the last  
 2 six (6) months of the last calendar year budget fixed by the department  
 3 of local government finance before the adoption of a rescinding  
 4 resolution under this subsection.

5 SECTION 13. IC 6-1.1-17-16, AS AMENDED BY P.L.183-2014,  
 6 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 7 JULY 1, 2016]: Sec. 16. (a) ~~Subject to the limitations and requirements~~  
 8 ~~prescribed in this section, the department of local government finance~~  
 9 ~~may revise, reduce, or increase a political subdivision's budget by fund,~~  
 10 ~~tax rate, or tax levy which the department reviews under section 8 or~~  
 11 ~~10 of this chapter. The department of local government finance shall~~  
 12 **certify the tax rates and tax levies for all funds of political**  
 13 **subdivisions subject to the department of local government**  
 14 **finance's review.**

15 (b) Subject to the limitations and requirements prescribed in this  
 16 section, the department of local government finance may review;  
 17 revise, reduce, or increase the budget by fund, tax rate, or tax levy of  
 18 any of the political subdivisions whose tax rates compose the aggregate  
 19 tax rate within a political subdivision whose budget, tax rate, or tax  
 20 levy is the subject of an appeal initiated under this chapter.

21 (b) For a fund of a political subdivision subject to levy limits  
 22 under IC 6-1.1-18.5-3, the department of local government finance  
 23 shall calculate and certify the allowable budget of the fund if the  
 24 political subdivision adopts a tax levy that exceeds the estimated  
 25 maximum levy limits as provided by the department of local  
 26 government finance under IC 6-1.1-18.5-24.

27 (c) For a fund of a political subdivision subject to levy limits  
 28 under IC 6-1.1-18.5-3 and for which the political subdivision  
 29 adopts a tax levy that is not more than the levy limits under  
 30 IC 6-1.1-18.5-3, the department of local government finance shall  
 31 review the fund to ensure the adopted budget is fundable based on  
 32 the unit's adopted tax levy and estimates of available revenues. If  
 33 the adopted budget is fundable, the department of local  
 34 government finance shall use the adopted budget as the approved  
 35 appropriation for the fund for the budget year. As needed, the  
 36 political subdivision may complete the additional appropriation  
 37 process through IC 6-1.1-18-5 for these funds during the budget  
 38 year.

39 (d) For a fund of the political subdivision subject to levy limits  
 40 under IC 6-1.1-18.5-3 and for which the political subdivision  
 41 adopts a tax levy that is not more than the levy limits under  
 42 IC 6-1.1-18.5-3, if the department of local government finance has



1 **determined the adopted budget is not fundable based on the unit's**  
 2 **adopted tax levy and estimates of available revenues, the**  
 3 **department of local government finance shall calculate and certify**  
 4 **the allowable budget that is fundable based on the adopted tax levy**  
 5 **and the department's estimates of available revenues.**

6 **(e) For all other funds of a political subdivision not described in**  
 7 **subsections (b), (c), and (d), the department of local government**  
 8 **finance shall certify a budget for the fund.**

9 ~~(e)~~ **(f)** Except as provided in section 16.1 of this chapter, the  
 10 department of local government finance is not required to hold a public  
 11 hearing before the department of local government finance reviews,  
 12 revises, reduces, or increases a political subdivision's budget by fund,  
 13 tax rate, or tax levy under this section.

14 ~~(d)~~ **(g)** Except as provided in subsection ~~(f)~~, **(l)**, IC 20-46, or  
 15 IC 6-1.1-18.5, the department of local government finance may not  
 16 increase a political subdivision's budget by fund, tax rate, or tax levy to  
 17 an amount which exceeds the amount originally fixed by the political  
 18 subdivision. However, if the department of local government finance  
 19 determines that IC 5-3-1-2.3(b) (before its expiration) applies to the tax  
 20 rate, tax levy, or budget of the political subdivision, the maximum  
 21 amount by which the department may increase the tax rate, tax levy, or  
 22 budget is the amount originally fixed by the political subdivision, and  
 23 not the amount that was incorrectly published or omitted in the notice  
 24 described in IC 5-3-1-2.3(b) (before its expiration). The department of  
 25 local government finance shall give the political subdivision  
 26 notification electronically in the manner prescribed by the department  
 27 of local government finance specifying any revision, reduction, or  
 28 increase the department proposes in a political subdivision's tax levy  
 29 or tax rate. The political subdivision has ten (10) calendar days from  
 30 the date the political subdivision receives the notice to provide a  
 31 response electronically in the manner prescribed by the department of  
 32 local government finance. The response may include budget  
 33 reductions, reallocation of levies, a revision in the amount of  
 34 miscellaneous revenues, and further review of any other item about  
 35 which, in the view of the political subdivision, the department is in  
 36 error. The department of local government finance shall consider the  
 37 adjustments as specified in the political subdivision's response if the  
 38 response is provided as required by this subsection and shall deliver a  
 39 final decision to the political subdivision.

40 ~~(e)~~ **(h)** The department of local government finance may not  
 41 approve a levy for lease payments by a city, town, county, library, or  
 42 school corporation if the lease payments are payable to a building



corporation for use by the building corporation for debt service on bonds and if:

- (1) no bonds of the building corporation are outstanding; or
- (2) the building corporation has enough legally available funds on hand to redeem all outstanding bonds payable from the particular lease rental levy requested.

~~(f)~~ (i) The department of local government finance shall certify its action to:

- (1) the county auditor;
- (2) the political subdivision if the department acts pursuant to an appeal initiated by the political subdivision;
- (3) the taxpayer that initiated an appeal under section 13 of this chapter, or, if the appeal was initiated by multiple taxpayers, the first ten (10) taxpayers whose names appear on the statement filed to initiate the appeal; and
- (4) a taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

~~(g)~~ (j) The following may petition for judicial review of the final determination of the department of local government finance under subsection ~~(f)~~ (i):

- (1) If the department acts under an appeal initiated by a political subdivision, the political subdivision.
- (2) If the department:
  - (A) acts under an appeal initiated by one (1) or more taxpayers under section 13 of this chapter; or
  - (B) fails to act on the appeal before the department certifies its action under subsection ~~(f)~~ (i);
 a taxpayer who signed the statement filed to initiate the appeal.
- (3) If the department acts under an appeal initiated by the county auditor under section 14 of this chapter, the county auditor.
- (4) A taxpayer that owns property that represents at least ten percent (10%) of the taxable assessed valuation in the political subdivision.

The petition must be filed in the tax court not more than forty-five (45) days after the department certifies its action under subsection ~~(f)~~ (i).

~~(h)~~ (k) The department of local government finance is expressly directed to complete the duties assigned to it under this section **as follows:**

- (1) For each budget year before 2019, not later than February 15 of each that budget year, for taxes to be collected during that year:**



(2) For each budget year after 2018, not later than December 31 of the year preceding that budget year, unless a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal under IC 6-1.1-18.5-16.

(3) For each budget year after 2018, not later than January 15 of the budget year if a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal under IC 6-1.1-18.5-16.

(i) Subject to the provisions of all applicable statutes, the department of local government finance shall, unless the department finds extenuating circumstances, increase a political subdivision's tax levy to an amount that exceeds the amount originally advertised or adopted by the political subdivision if:

(1) the increase is requested in writing by the officers of the political subdivision;

(2) the requested increase is published on the department's advertising Internet web site and (before January 1, 2015) is published by the political subdivision according to a notice provided by the department; and

(3) notice is given to the county fiscal body of the error and the department's correction.

If the department increases a levy beyond what was advertised or adopted under this subsection, it shall, unless the department finds extenuating circumstances, reduce the certified levy affected below the maximum allowable levy by the lesser of five percent (5%) of the difference between the advertised or adopted levy and the increased levy, or one hundred thousand dollars (\$100,000).

(j) The department of local government finance shall annually review the budget by fund of each school corporation not later than April 1. The department of local government finance shall give the school corporation written notification specifying any revision, reduction, or increase the department proposes in the school corporation's budget by fund. A public hearing is not required in connection with this review of the budget.

SECTION 14. IC 6-1.1-17-16.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 16.7. (a) A political subdivision that in any year adopts a proposal to establish a cumulative fund or sinking fund under any of the following provisions must submit the proposal to the department of local government finance before August 2 of that year, for years before 2018, and before May 1 of that year, for years after 2017:



1 IC 3-11-6  
 2 IC 8-10-5  
 3 IC 8-16-3  
 4 IC 8-16-3.1  
 5 IC 8-22-3  
 6 IC 14-27-6  
 7 IC 14-33-21  
 8 IC 16-22-5  
 9 IC 16-22-8  
 10 IC 36-8-14  
 11 IC 36-9-4  
 12 IC 36-9-14  
 13 IC 36-9-14.5  
 14 IC 36-9-15  
 15 IC 36-9-15.5  
 16 IC 36-9-16  
 17 IC 36-9-17  
 18 IC 36-9-26  
 19 IC 36-9-27  
 20 IC 36-10-3  
 21 IC 36-10-4  
 22 IC 36-10-7.5

23 (b) If a proposal described in subsection (a) is not submitted to the  
 24 department of local government finance before August 2 of a year, **for**  
 25 **years before 2018, and before May 1 of a year, for years after 2017,**  
 26 the political subdivision may not levy a tax for the cumulative fund or  
 27 sinking fund in the ensuing year.

28 SECTION 15. IC 6-1.1-18-5, AS AMENDED BY P.L.184-2015,  
 29 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 30 JULY 1, 2016]: Sec. 5. (a) If the proper officers of a political  
 31 subdivision desire to appropriate more money for a particular year than  
 32 the amount prescribed in the budget for that year as finally determined  
 33 under this article, they shall give notice of their proposed additional  
 34 appropriation. The notice shall state the time and place at which a  
 35 public hearing will be held on the proposal. The notice shall be given  
 36 once in accordance with IC 5-3-1-2(b).

37 (b) If the additional appropriation by the political subdivision is  
 38 made from a fund that receives:

- 39 (1) distributions from the motor vehicle highway account  
 40 established under IC 8-14-1-1 or the local road and street account  
 41 established under IC 8-14-2-4; or  
 42 (2) revenue from property taxes levied under IC 6-1.1;





the political subdivision must report the additional appropriation to the department of local government finance. If the additional appropriation is made from a fund described under this subsection, subsections (f), (g), (h), and (i) apply to the political subdivision.

(c) However, if the additional appropriation is not made from a fund described under subsection (b), subsections (f), (g), (h), and (i) do not apply to the political subdivision. Subsections (f), (g), (h), and (i) do not apply to an additional appropriation made from the cumulative bridge fund if the appropriation meets the requirements under IC 8-16-3-3(c).

(d) A political subdivision may make an additional appropriation without approval of the department of local government finance if the additional appropriation is made from a fund that is not described under subsection (b). However, the fiscal officer of the political subdivision shall report the additional appropriation to the department of local government finance.

(e) After the public hearing, the proper officers of the political subdivision shall file a certified copy of their final proposal and any other relevant information to the department of local government finance.

(f) When the department of local government finance receives a certified copy of a proposal for an additional appropriation under subsection (e), the department shall determine whether sufficient funds are available or will be available for the proposal. The determination shall be made in writing and sent to the political subdivision not more than fifteen (15) days after the department of local government finance receives the proposal.

(g) In making the determination under subsection (f), the department of local government finance shall limit the amount of the additional appropriation to revenues available, or to be made available, which have not been previously appropriated.

(h) If the department of local government finance disapproves an additional appropriation under subsection (f), the department shall specify the reason for its disapproval on the determination sent to the political subdivision.

(i) A political subdivision may request a reconsideration of a determination of the department of local government finance under this section by filing a written request for reconsideration. A request for reconsideration must:

- (1) be filed with the department of local government finance within fifteen (15) days of the receipt of the determination by the political subdivision; and



(2) state with reasonable specificity the reason for the request.  
The department of local government finance must act on a request for reconsideration within fifteen (15) days of receiving the request.

(j) This subsection applies to an additional appropriation by a political subdivision that must have the political subdivision's annual appropriations and annual tax levy adopted by a city, town, or county fiscal body under IC 6-1.1-17-20 or IC 36-1-23 or by a legislative or fiscal body under IC 36-3-6-9. The fiscal or legislative body of the city, town, or county that adopted the political subdivision's annual appropriation and annual tax levy must adopt the additional appropriation by ordinance before the department of local government finance may approve the additional appropriation.

(k) This subsection applies to a public library that

~~(1) is required to submit the public library's budgets, tax rates, and tax levies for nonbinding review under IC 6-1.1-17-3.5; and~~  
~~(2) is not required to submit the public library's budgets, tax rates, and tax levies for binding review and approval under IC 6-1.1-17-20.~~

If a public library subject to this subsection proposes to make an additional appropriation for a year, and the additional appropriation would result in the budget for the library for that year increasing (as compared to the previous year) by a percentage that is greater than the result of the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the calendar year minus one (1), the additional appropriation must first be approved by the city, town, or county fiscal body described in IC 6-1.1-17-20.3(c) or IC 6-1.1-17-20(d), as appropriate.

SECTION 16. IC 6-1.1-18.5-2, AS AMENDED BY P.L.230-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) As used in this section, "Indiana nonfarm personal income" means the estimate of total nonfarm personal income for Indiana in a calendar year as computed by the federal Bureau of Economic Analysis using any actual data for the calendar year and any estimated data determined appropriate by the federal Bureau of Economic Analysis.

(b) For purposes of determining a civil taxing unit's maximum permissible ad valorem property tax levy for an ensuing calendar year, the civil taxing unit shall use the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: For each of the six (6) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana



nonfarm personal income for the calendar year by the Indiana nonfarm personal income for the calendar year immediately preceding that calendar year, rounding to the nearest one-thousandth (0.001).

STEP TWO: Determine the sum of the STEP ONE results.

STEP THREE: Divide the STEP TWO result by six (6), rounding to the nearest one-thousandth (0.001).

STEP FOUR: Determine the lesser of the following:

(A) The STEP THREE quotient.

(B) One and six-hundredths (1.06).

**(c) The budget agency shall provide the assessed value growth quotient for the ensuing year to civil taxing units, school corporations, and the department of local government finance before July 1 of each year.**

SECTION 17. IC 6-1.1-18.5-9.8, AS AMENDED BY P.L.13-2013, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 9.8. **(a)** For purposes of determining the property tax levy limit imposed on a city, town, or county under section 3 of this chapter, the city, town, or county's ad valorem property tax levy for a particular calendar year does not include an amount equal to the ~~lesser of:~~

~~(1) the amount of ad valorem property taxes that would be first due and payable to the city, town, or county during the ensuing calendar year if the taxing unit imposed the maximum permissible property tax rate per one hundred dollars (\$100) of assessed valuation that the civil taxing unit may impose for the particular calendar year under the authority of IC 36-9-14.5 (in the case of a county) or IC 36-9-15.5 (in the case of a city or town). or~~

~~(2) the excess, if any, of:~~

~~(A) the property taxes imposed by the city, town, or county under the authority of:~~

~~IC 3-11-6-9;~~

~~IC 8-16-3;~~

~~IC 8-16-3.1;~~

~~IC 8-22-3-25;~~

~~IC 14-27-6-48;~~

~~IC 14-33-9-3;~~

~~IC 16-22-8-41;~~

~~IC 16-22-5-2 through IC 16-22-5-15;~~

~~IC 16-23-1-40;~~

~~IC 36-8-14;~~

~~IC 36-9-4-48;~~



1 IC 36-9-14;  
 2 IC 36-9-14.5;  
 3 IC 36-9-15;  
 4 IC 36-9-15.5;  
 5 IC 36-9-16;  
 6 IC 36-9-16.5;  
 7 IC 36-9-17;  
 8 IC 36-9-26;  
 9 IC 36-9-27-100;  
 10 IC 36-10-3-21; or  
 11 IC 36-10-4-36;  
 12 that are first due and payable during the ensuing calendar year;  
 13 over  
 14 (B) the property taxes imposed by the city, town, or county  
 15 under the authority of the citations listed in clause (A) that  
 16 were first due and payable during calendar year 1984.  
 17 **(b) Before July 15 of each year, the department of local**  
 18 **government finance shall provide to each county, city, and town an**  
 19 **estimate of the maximum permissible property tax rate per one**  
 20 **hundred dollars (\$100) of assessed valuation that the county, city,**  
 21 **or town may impose for the ensuing year under IC 36-9-14.5 (in the**  
 22 **case of a county) or IC 36-9-15.5 (in the case of a city or town).**  
 23 SECTION 18. IC 6-1.1-18.5-10, AS AMENDED BY P.L.117-2015,  
 24 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 25 JULY 1, 2016]: Sec. 10. (a) The ad valorem property tax levy limits  
 26 imposed by section 3 of this chapter do not apply to ad valorem  
 27 property taxes imposed by a civil taxing unit to be used to fund:  
 28 (1) community mental health centers under:  
 29 (A) IC 12-29-2-1.2, for only those civil taxing units that  
 30 authorized financial assistance under IC 12-29-1 before 2002  
 31 for a community mental health center as long as the tax levy  
 32 under this section does not exceed the levy authorized in 2002;  
 33 (B) IC 12-29-2-2 through IC 12-29-2-5; and  
 34 (C) IC 12-29-2-13; or  
 35 (2) community intellectual disability and other developmental  
 36 disabilities centers under IC 12-29-1-1.  
 37 to the extent that those property taxes are attributable to any increase  
 38 in the assessed value of the civil taxing unit's taxable property caused  
 39 by a general reassessment of real property under IC 6-1.1-4-4 or a  
 40 reassessment of real property under a reassessment plan prepared under  
 41 IC 6-1.1-4-4.2 that took effect after February 28, 1979.  
 42 (b) For purposes of computing the ad valorem property tax levy



limits imposed on a civil taxing unit by section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy described in subsection (a).

(c) This subsection applies to property taxes first due and payable after December 31, 2008. Notwithstanding subsections (a) and (b) or any other law, any property taxes imposed by a civil taxing unit that are exempted by this section from the ad valorem property tax levy limits imposed by section 3 of this chapter may not increase annually by a percentage greater than the result of:

(1) the assessed value growth quotient determined under section 2 of this chapter; minus

(2) one (1).

(d) For a county that:

(1) did not impose an ad valorem property tax levy in 2008 for the county general fund to provide financial assistance under IC 12-29-1 (community intellectual disability and other developmental disabilities center) or IC 12-29-2 (community mental health center); and

(2) determines for 2009 or a later calendar year to impose a levy as described in subdivision (1);

the ad valorem property tax levy limits imposed under section 3 of this chapter do not apply to the part of the county's general fund levy that is used in the first calendar year for which a determination is made under subdivision (2) to provide financial assistance under IC 12-29-1 or IC 12-29-2. The department of local government finance shall review a county's proposed budget that is submitted under IC 12-29-1-1 or IC 12-29-2-1.2 and make a final determination of the amount to which the levy limits do not apply under this subsection for the first calendar year for which a determination is made under subdivision (2):

(e) The ad valorem property tax levy limits imposed under section 3 of this chapter do not apply to the county's general fund levy in the amount determined by the department of local government finance under subsection (d) in each calendar year following the calendar year for which the determination under subsection (b) is made:

(d) Before July 15 of each year, the department of local government finance shall provide to each county an estimate of the maximum amount of property taxes imposed for community mental health centers or community intellectual disability and other developmental disabilities centers that are exempt from the levy limits for the ensuing year.

SECTION 19. IC 6-1.1-18.5-10.1 IS REPEALED [EFFECTIVE JULY 1, 2016]. Sec. 10.1: (a) The ad valorem property tax levy limits



imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed by a county, city, or town to supplemental juror fees adopted under IC 33-37-10-1, to the extent provided in subsections (b) and (c):

(b) Subject to subsection (c), for purposes of determining the property tax levy limit imposed on a county, city, or town under section 3 of this chapter, the county, city, or town's ad valorem property tax levy for a calendar year does not include an amount equal to:

(1) the average annual expenditures for nonsupplemental juror fees under IC 33-37-10-1, using the five (5) most recent years for which expenditure amounts are available; multiplied by

(2) the percentage increase in juror fees that is attributable to supplemental juror fees under the most recent ordinance adopted under IC 33-37-10-1.

(c) For property taxes first due and payable after December 31, 2008, property taxes may be excluded under subsection (b) from the ad valorem property tax levy limits imposed by section 3 of this chapter only to the extent that:

(1) the county fiscal body adopts a resolution approving some or all of the property taxes that may be excluded by a city or town under subsection (b); in the case of property taxes imposed by a city or town; or

(2) the county fiscal body adopts a resolution:

(A) that approves some or all of the property taxes that may be excluded by the county under subsection (b); and

(B) that explains why the exclusion under subsection (b) is necessary and in the best interest of taxpayers;

in the case of property taxes imposed by the county:

In the case of a city or town located in more than one (1) county, the exclusion under subsection (b) must be approved by the fiscal body of the county in which the greatest part of the city's or town's net assessed valuation is located.

SECTION 20. IC 6-1.1-18.5-19.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 19.1. (a) **This subsection does not apply for property taxes first due and payable after December 31, 2016.** The ad valorem property tax levy limits imposed by section 3 of this chapter do not apply to ad valorem property taxes imposed on personal property of banks that became subject to assessment in 1989 and thereafter because of IC 6-1.1-2-7.

(b) **This subsection does not apply for property taxes first due and payable after December 31, 2016.** For purposes of computing the ad valorem property tax levy limits imposed under section 3 of this



chapter, a civil taxing unit's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed on bank personal property as provided in subsection (a).

(c) For budget year 2017, the department of local government finance shall make a one (1) time permanent adjustment to the ad valorem property tax levy limits imposed by section 3 of this chapter in an amount equal to the excluded levy under subsection (b) for budget year 2016.

(d) This section expires July 1, 2018.

SECTION 21. IC 6-1.1-18.5-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 24. (a) Before July 15 of each year, the department of local government finance shall provide to each taxing unit that levies property taxes an estimate of the maximum permissible property tax levies under section 3 of this chapter that will apply for the ensuing calendar year.

(b) The department's estimates shall, as necessary, provide guidance on calculating allowable adjustment to the maximum permissible property tax levies under section 3 of this chapter.

(c) The department's estimate under this section is not binding for the purposes of budget adoption by a taxing unit.

SECTION 22. IC 6-1.1-20.6-11.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 11.1. (a) Before August 1 of each year, the department of local government finance shall provide to each taxing unit that levies property taxes an estimate of the amount by which the taxing unit's distribution of property taxes will be reduced under section 9.5 of this chapter in the ensuing year.

(b) To determine the estimates required by subsection (a), the department of local government finance shall use the best available assessed value data and the levy limitation estimates determined under IC 6-1.1-18.5-24.

(c) The department of local government finance may also require taxing units to provide information on proposed debt issuance, excess levy appeals, and fund establishments occurring in the current year that may affect the tax levies and tax rates for the ensuing year. This information shall be collected in a manner prescribed by the department of local government finance. Taxing units shall provide the requested information to the department of local government finance by the deadline established by the department of local government finance, which may not be later



1 **than June 30 of each year.**

2 SECTION 23. IC 6-1.1-41-4 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. A political  
4 subdivision that in any year adopts a proposal under this chapter must  
5 submit the proposal to the department of local government finance:

- 6 (1) before August 2 of that year, **for years before 2018; and**  
7 (2) **before May 1 of that year, for years after 2017.**

8 SECTION 24. IC 6-3.6-9-5, AS ADDED BY P.L.243-2015,  
9 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
10 JULY 1, 2016]: Sec. 5. (a) Before August 2 of each calendar year  
11 **before 2018, and before June 1 of each calendar year after 2017,**  
12 the budget agency shall provide to the department of local government  
13 finance and the county auditor of each adopting county an estimate of  
14 the amount determined under section 4 of this chapter that will be  
15 distributed to the county, based on known tax rates. Not later than  
16 fifteen (15) days after receiving the estimate of the certified  
17 distribution, **for calendar years before 2018, and not later than July**  
18 **1 of each year, for calendar years after 2017,** the department of local  
19 government finance shall determine for each taxing unit and notify the  
20 county auditor of the estimated amount of property tax credits, school  
21 distributions, public safety revenue, economic development revenue,  
22 certified shares, and special purpose revenue that will be distributed to  
23 the taxing unit under this chapter during the ensuing calendar year. Not  
24 later than thirty (30) days after receiving the department's estimate, the  
25 county auditor shall notify each taxing unit of the amounts estimated  
26 for the taxing unit.

27 (b) Before October 1 of each calendar year, the budget agency shall  
28 certify to the department of local government finance and the county  
29 auditor of each adopting county:

- 30 (1) the amount determined under section 4 of this chapter; and  
31 (2) the amount of interest in the county's account that has accrued  
32 and has not been included in a certification made in a preceding  
33 year.

34 The amount certified is the county's certified distribution for the  
35 immediately succeeding calendar year. The amount certified shall be  
36 adjusted, as necessary, under sections 6, 7, and 8 of this chapter. Not  
37 later than fifteen (15) days after receiving the amount of the certified  
38 distribution, the department of local government finance shall  
39 determine for each taxing unit and notify the county auditor of the  
40 certified amount of property tax credits, school distributions, public  
41 safety revenue, economic development revenue, certified shares, and  
42 special purpose revenue that will be distributed to the taxing unit under





1 this chapter during the ensuing calendar year. Not later than thirty (30)  
 2 days after receiving the department's estimate, the county auditor shall  
 3 notify each taxing unit of the certified amounts for the taxing unit.

4 SECTION 25. IC 12-29-1-1, AS AMENDED BY P.L.117-2015,  
 5 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2016]: Sec. 1. (a) The county executive of a county may  
 7 authorize the furnishing of financial assistance to a community  
 8 intellectual disability and other developmental disabilities center that  
 9 is located or will be located in the county.

10 (b) Assistance authorized under this section shall be used for the  
 11 following purposes:

12 (1) Constructing a center.

13 (2) Operating a center.

14 (c) Upon request of the county executive, the county fiscal body  
 15 may appropriate annually from the county's general fund the money to  
 16 provide financial assistance for the purposes described in subsection  
 17 (b). **For property taxes first due and payable before January 1,**  
 18 **2017,** the appropriation may not exceed the amount that could be  
 19 collected from an annual tax levy of not more than three and  
 20 thirty-three hundredths cents (\$0.0333) on each one hundred dollars  
 21 (\$100) of taxable property within the county.

22 **(d) For property taxes first due and payable after December 31,**  
 23 **2016, the maximum allowable appropriation for the purposes**  
 24 **described in subsection (b) may not increase annually by a**  
 25 **percentage greater than the result of:**

26 **(1) the assessed value growth quotient determined under**  
 27 **IC 6-1.1-18.5-2 for the year; minus**

28 **(2) one (1).**

29 ~~(d)~~ (e) For purposes of this subsection, "first calendar year" refers  
 30 to the first calendar year after 2008 in which the county imposes an ad  
 31 valorem property tax levy for the county general fund to provide  
 32 financial assistance under this chapter. If a county did not provide  
 33 financial assistance under this chapter in 2008, the county for a  
 34 following calendar year:

35 (1) may propose a financial assistance budget; and

36 (2) shall refer its proposed financial assistance budget for the first  
 37 calendar year to the department of local government finance  
 38 before the tax levy is advertised.

39 The ad valorem property tax levy to fund the budget for the first  
 40 calendar year is subject to review and approval under IC 6-1.1-18.5-10.

41 SECTION 26. IC 12-29-1-2, AS AMENDED BY P.L.117-2015,  
 42 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2016]: Sec. 2. (a) If a community intellectual disability and other developmental disabilities center is organized to provide services to at least two (2) counties, the county executive of each county may authorize the furnishing of financial assistance for the purposes described in section 1(b) of this chapter.

(b) Upon the request of the county executive of the county, the county fiscal body of each county may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in section 1(b) of this chapter. **For property taxes first due and payable before January 1, 2017**, the appropriation of each county may not exceed the amount that could be collected from an annual tax levy of three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

**(c) For property taxes first due and payable after December 31, 2016, the maximum allowable appropriation by each county for the purposes described in section 1(b) of this chapter may not increase annually by a percentage greater than the result of:**

**(1) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year; minus**

**(2) one (1).**

SECTION 27. IC 12-29-1-3, AS AMENDED BY P.L.117-2015, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) The county executive of each county whose residents may receive services from a community intellectual disability and other developmental disabilities center may authorize the furnishing of a share of financial assistance for the purposes described in section 1(b) of this chapter if the following conditions are met:

(1) The facilities for the center are located in a state adjacent to Indiana.

(2) The center is organized to provide services to Indiana residents.

(b) Upon the request of the county executive of a county, the county fiscal body of the county may appropriate annually from the county's general fund the money to provide financial assistance for the purposes described in section 1(b) of this chapter. **For property taxes first due and payable before January 1, 2017**, the appropriations of the county may not exceed the amount that could be collected from an annual tax levy of three and thirty-three hundredths cents (\$0.0333) on each one hundred dollars (\$100) of taxable property within the county.

**(c) For property taxes first due and payable after December 31, 2016, the maximum allowable appropriation for the purposes**



described in section 1(b) of this chapter may not increase annually by a percentage greater than the result of:

(1) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year; minus

(2) one (1).

SECTION 28. IC 12-29-1-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 3.5. Before July 15, 2016, and before July 15 of each year thereafter, the department of local government finance shall provide to counties an estimate of the maximum allowable appropriation under section 1, 2, or 3 of this chapter (as applicable) for the ensuing year.**

SECTION 29. IC 12-29-2-2, AS AMENDED BY P.L.153-2014, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 2. (a) A county shall fund the operation of community mental health centers in the amount determined under subsection (b), unless a lower tax levy amount will be adequate to fulfill the county's financial obligations under this chapter in any of the following situations:**

(1) If the total population of the county is served by one (1) center.

(2) If the total population of the county is served by more than one (1) center.

(3) If the partial population of the county is served by one (1) center.

(4) If the partial population of the county is served by more than one (1) center.

(b) The amount of funding under subsection (a) for taxes first due and payable in a calendar year is ~~the following:~~

~~(1) For 2004, the amount is the amount determined under STEP THREE of the following formula:~~

~~STEP ONE: Determine the amount that was levied within the county to comply with this section from property taxes first due and payable in 2002:~~

~~STEP TWO: Multiply the STEP ONE result by the county's assessed value growth quotient for the ensuing year 2003, as determined under IC 6-1.1-18.5-2.~~

~~STEP THREE: Multiply the STEP TWO result by the county's assessed value growth quotient for the ensuing year 2004, as determined under IC 6-1.1-18.5-2.~~

~~(2) Except as provided in subsection (c); for 2005 and each year thereafter, the result equal to:~~



- 1           ~~(A)~~ (1) the amount that was levied in the county to comply  
 2           with this section from property taxes first due and payable in  
 3           the calendar year immediately preceding the ensuing calendar  
 4           year; multiplied by  
 5           ~~(B)~~ (2) the county's assessed value growth quotient for the  
 6           ensuing calendar year, as determined under IC 6-1.1-18.5-2.
- 7           (c) This subsection applies only to property taxes first due and  
 8           payable after December 31, 2007. This subsection applies only to a  
 9           county for which:
- 10           (1) a county adjusted gross income tax rate is first imposed or is  
 11           increased in a particular year under IC 6-3.5-1.1-24; or  
 12           (2) a county option income tax rate is first imposed or is increased  
 13           in a particular year under IC 6-3.5-6-30;
- 14           to provide property tax relief in the county. Notwithstanding any  
 15           provision in this section or any other section of this chapter, for a  
 16           county subject to this subsection, the county's maximum property tax  
 17           levy under this section to fund the operation of community mental  
 18           health centers for the ensuing calendar year is equal to the county's  
 19           maximum property tax levy to fund the operation of community mental  
 20           health centers for the current calendar year.
- 21           (d) Except as provided in subsection (h), the county shall pay to the  
 22           division of mental health and addiction the part of the funding  
 23           determined under subsection (b) that is appropriated solely for funding  
 24           the operations of a community health center. The funding required  
 25           under this section for operations of a community health center shall be  
 26           paid by the county to the division of mental health and addiction. These  
 27           funds shall be used solely for satisfying the non-federal share of  
 28           medical assistance payments to community mental health centers  
 29           serving the county for:
- 30           (1) allowable administrative services; and  
 31           (2) community mental health rehabilitation services.
- 32           All other funding appropriated for the purposes allowed under section  
 33           1.2(b)(1) of this chapter shall be paid by the county directly to the  
 34           community mental health center semiannually at the times that the  
 35           payments are made under subsection (e).
- 36           (e) The county shall appropriate and disburse the funds for  
 37           operations semiannually not later than December 1 and June 1 in an  
 38           amount equal to the amount determined under subsection (b) and  
 39           requested in writing by the division of mental health and addiction. The  
 40           total funding amount paid to the division of mental health and  
 41           addiction for a county for each calendar year may not exceed the  
 42           amount that is calculated in subsection (b) and set forth in writing by



1 the division of mental health and addiction for the county. Funds paid  
 2 to the division of mental health and addiction by the county shall be  
 3 submitted by the county in a timely manner after receiving the written  
 4 request from the division of mental health and addiction, to ensure  
 5 current year compliance with the community mental health  
 6 rehabilitation program and any administrative requirements of the  
 7 program.

8 (f) The division of mental health and addiction shall ensure that the  
 9 non-federal share of funding received from a county under this program  
 10 is applied only for matching federal funds for the designated  
 11 community mental health centers to the extent a center is eligible to  
 12 receive county funding under IC 12-21-2-3(5)(D).

13 (g) The division of mental health and addiction:

- 14 (1) shall first apply state funding to a community mental health
- 15 center's non-federal share of funding under this program; and
- 16 (2) may next apply county funding received under this section to
- 17 any remaining non-federal share of funding for the community
- 18 mental health center.

19 The division shall distribute any excess state funds that exceed the  
 20 community mental health rehabilitation services non-federal share  
 21 applied to a community mental health center that is entitled to the  
 22 excess state funds.

23 (h) The health and hospital corporation of Marion County created  
 24 by IC 16-22-8-6 may make payments to the division for the operation  
 25 of a community mental health center as described in this chapter.

26 SECTION 30. IC 36-1.5-4-7, AS AMENDED BY P.L.26-2012,  
 27 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 28 JULY 1, 2016]: Sec. 7. (a) In the year before the year in which the  
 29 participating political subdivisions are reorganized under this chapter:

- 30 (1) subject to subsection (b), the fiscal bodies of the reorganizing
- 31 political subdivisions shall, in the manner provided by
- 32 IC 6-1.1-17, adopt tax levies, tax rates, and a budget for the
- 33 reorganized political subdivision either through the adoption of
- 34 substantially identical resolutions adopted by each of the fiscal
- 35 bodies or, if authorized in the plan of reorganization, through a
- 36 joint board established under an agreement of the fiscal bodies on
- 37 which the members of each of the fiscal bodies are represented;
- 38 and
- 39 (2) if the reorganized political subdivision will have elected
- 40 offices and different election districts than any of the reorganizing
- 41 political subdivisions, the legislative bodies of the reorganizing
- 42 political subdivisions shall establish the election districts either



1 through the adoption of substantially identical resolutions adopted  
 2 by each of the legislative bodies or, if authorized in the plan of  
 3 reorganization, through a joint board established under an  
 4 agreement of the legislative bodies on which the members of each  
 5 of the legislative bodies are represented.

6 (b) This subsection applies to two (2) or more school corporations  
 7 that participate in a reorganization in which the voters approve a plan  
 8 of reorganization in a general election and the plan of reorganization  
 9 provides for the reorganization to become effective for property taxes  
 10 first due and payable in the immediately following calendar year. The  
 11 participating school corporations may publish notices, hold public  
 12 hearings, and take final action for the adoption of property tax levies,  
 13 property tax rates, and a budget for the reorganized school corporation  
 14 after the voters approve the plan of reorganization. The alternative  
 15 schedule must comply with the following:

16 (1) Each participating school corporation shall give notice by  
 17 publication to taxpayers of:

18 (A) the estimated budget;

19 (B) the estimated maximum permissible levy;

20 (C) the current and proposed tax levies of each fund; and

21 (D) the amounts of excessive levy appeals to be requested;

22 for the ensuing year. The notice must be published twice in  
 23 accordance with IC 5-3-1 with the first publication at least ten  
 24 (10) days before the date fixed for the public hearing and with the  
 25 last publication not later than November 24 of the year the public  
 26 question is approved by the voters.

27 (2) Each participating school corporation must conduct a public  
 28 hearing on the proposed tax levies, tax rates, and budget at least  
 29 ten (10) days before the date the participating school corporation  
 30 adopts the proposed tax levies, tax rates, and budget.

31 (3) The governing body of each participating school corporation  
 32 must meet to fix the tax levies, tax rates, and budget for the  
 33 ensuing year before December 6 of the year the public question  
 34 is approved by the voters.

35 (4) The county auditor shall certify the adopted property tax  
 36 levies, property tax rates, and budget for the reorganized school  
 37 corporation to the department of local government finance before  
 38 December 8 in the year in which the public question is approved  
 39 by the voters.

40 **Subject to subsection (c),** the department of local government finance  
 41 may adjust any other applicable time limit specified in IC 6-1.1-17 to  
 42 be consistent with this section. ~~However,~~



(c) The department of local government finance is expressly directed to complete the duties assigned to it under IC 6-1.1-17-16 with respect to the submitted property tax levies, property tax rates, and budget as follows:

(1) For each budget year before 2019, not later than February 15 in the ensuing of that budget year.

(2) For each budget year after 2018, not later than December 31 of the year preceding that budget year, unless a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal under IC 6-1.1-18.5-16.

(3) For each budget year after 2018, not later than January 15 of the budget year if a taxing unit in a county is issuing debt after December 1 in the year preceding the budget year or intends to file a shortfall appeal under IC 6-1.1-18.5-16.

(d) If a school is converted into a charter school under IC 20-24-11, the charter school must, before December 1 of each year, publish its estimated annual budget for the ensuing year in accordance with IC 5-3-1.



## COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 321, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 6, line 41, after "year" delete "before" and insert ",".

Page 6, line 42, delete "2018 and on or before July 1 of each year after 2017,".

Page 8, line 36, after "accounts." insert **"In formulating a political subdivision's estimated budget under this section, the proper officers of the political subdivision must consider the net property tax revenue that will be collected by the political subdivision during the ensuing year, after taking into account the estimate by the department of local government finance under IC 6-1.1-20.6-11.1 of the amount by which the political subdivision's distribution of property taxes will be reduced by credits under IC 6-1.1-20.6-9.5 in the ensuing year, and after taking into account the estimate by the department of local government finance under section 0.7 of this chapter of the maximum amount of net property tax revenue and miscellaneous revenue that the political subdivision will receive in the ensuing year."**

and when so amended that said bill do pass.

(Reference is to SB 321 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 10, Nays 0.

